

HONOLULU ADVERTISER (HI)

29 September 1984

## **CIA chief pulled money out before Rewald firm collapsed**

**By Walter Wright**

*Advertiser Staff Writer*

The CIA, two months after it discovered Ronald Rewald and his investment company were under IRS investigation, asked then-Honolulu station chief Jack W. Rardin to pull his money out of the firm, documents filed with the bankruptcy court here show.

On May 26, 1983, Rardin withdrew \$2,326.62 to close his account. Two months later the company collapsed, leaving hundreds of other investors holding an empty bag.

The agency was apparently trying to sever its ties with the company. One other CIA employee, an undercover agent identified as Richard Cavanaugh, was instructed earlier to withdraw his funds from the company.

The agency did not tell Cavanaugh there was any problem at the company, but instead told him he had a conflict of interest if his own funds were invested in a company that he was using as a cover for intelligence work, an official

close to the case says.

Rardin was one of at least two station chiefs who reimbursed Rewald's firm for telephone and telex expenses incurred by the CIA, and who also personally invested their own funds in the company's accounts.

The other, John H. "Jack" Kindschi, had retired from the CIA in 1980 and became a consultant with the company, Bishop Baldwin Rewald Dillingham & Wong.

Kindschi also invested his own funds, and those of his mother, in the company, but had a substantial balance at the time the company collapsed and has filed a claim in the bankruptcy.

Rardin, on the other hand, was one of a group of depositors who, for various reasons withdrew their money within 90 days of the collapse and are required by law to return the funds to the bankruptcy trustee.

Rardin, who was relocated by the CIA to Gainesville, Florida, after the Bishop Baldwin debacle, repaid the money Feb. 6.